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DEVELOPMENT OF THE EAST GERMAN IRON AND STEEL INDUSTRY

Rough Figures for the Development of Plants up to the End of 1955

1. Eisenhuettenkombinat J. W. Stalin (formerly EKO), Stalinstadt (formerly Fuerstenberg/Oder). Furnaces VII and VIII are not going to be constructed; expansion of the blast furnace plant will be concluded with Furnace VI. The sintering installation is to be limited to four bands. The ore bed plant (Erzbettenanlage) will therefore be concluded with 1953 construction.

The steel plant is to be constructed for a capacity of 650,000 metric tons to correspond to the reduced production of pig iron, i.e., 360,000 metric tons. The distribution according to Siemens-Martin, Thomas, and electric steel is to be established after revisions have been made (nach Durchrechnung). The steel plant will be limited to four Thomas converters, two electric furnaces and two Siemens-Martin furnaces. Because of the status of the generator installation, a final decision will not be made until the possibility of oil-firing the Siemens-Martin steel plant has been examined. Thus, nothing in the project has been changed, but space for a converter will be left open and plant expansion will be concluded after the second Siemens-Martin furnace has been completed. Subsidiary installations, such as dolomite halls, ingot halls, stripper halls and oxygen installations, are not to be changed in principle, but only in scope, and in these cases the extent to which other projects will have to be altered is to be examined.

Rolling mill production of ingot material is to be reduced to correspond to the capacity of the steel mill. The plate rolling capacity of the two Laut three-high mills in the rolling mill plant is to remain the same. According to the present schedule, the 1100 blooming mill is to be put into operation at the end of 1953 and the universal iron rolling mill (Eisenstrasse) at the beginning of 1955. According to present plans, the 830 mill train at Riesa, on which work has begun but which is not now in operation, is to be utilized. Therefore, the heavy plate mill and the mechanized light plate rolling mill have been dropped from the plant. Planned projects are not to be changed substantially, and only those parts concerning the heavy plate rolling mill

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will be suspended. The location of the installations will not be changed. The question of heating the furnaces with oil still remains to be clarified. The subsidiary installations are to be reduced to correspond to the new capacity of the rolling mill, and for that reason construction of a new ingot foundry is to be restricted to correspond to the requirements of the steel mill.

2. Eisenwerke West, Calbe. Calbe will continue to follow the Five-Year Plan. After Furnace 15 is put into operation, further expansion of the smelting plant will not be undertaken until the beginning of 1955; it will thus be necessary to construct Furnaces 16 to 20 during 1955. In 1954, work is to be sped up on the expansion of the ore concentration and briquetting installations, as well as on the completion of subsidiary installations.

3. Maxhuette, Unterwellenborn. The reconstruction of Maxhuette will continue according to plan. In 1954, Furnace I is to be rebuilt while maintaining south ore mixing (Suedmoellerung) and automatic furnace charging. The direct extraction installation (Rennenlage) will for the time being remain at two pipes. The question of building an additional pipe is to be postponed until 1955.

The Thomas Steel mill is to be modernized according to the existing reconstruction plan.

In the rolling mill the question of expanding the capacity of the vertical ingot heating furnace is to be examined in connection with the steel situation at the plant.

4. Stahl- und Walzwerk Brandenburg. When Furnace 10 is put into operation the construction of the steel plant will be finished. The 1100 blooming mill will have to be put into operation at the latest by the second half of 1954. The question of whether a semi-finished product rolling mill (Halbzeugstrasse) should be built is to be examined; the project, however, cannot be carried out before 1955 anyway.

5. Stahl- und Walzwerk Riesa. Steel plant 2 is not to be further expanded but is to remain at its current capacity. In this connection, the question of whether additional vertical ingot heating furnaces should be built will still have to be examined. The 830 mill train is not going to be installed at Riesa since its capacity will not be absolutely necessary in 1954. The mill train will be prepared for installation at EKS, and for this reason it is imperative that EKS deliver to Riesa pipe blooms (Rohrluppen) made of alloy steel. The two vertical ingot heating furnaces at the blooming mill are to be constructed at their present location so as to increase the capacity of the blooming mill. The main project at Riesa is the completion of the new pipe works. The plan for the second construction stage of the pipe works is to be retained. Therefore, only certain small investments for modernizing the method of transporting ingots, scrap metal, etc., remain.

6. Stahl- und Walzwerk Hennigsdorf. At Hennigsdorf no further capacities for the steel mill are to be created. Expansion of the plant will be concluded when Furnace VI is put into operation. It will be necessary, however, to complete the construction of the foundry pit by building the ingot casting unit (Kokillengiessbahn). In the rolling mill only an expansion of the vertical ingot heating furnace capacity and the annealing capacity, as well as measures for modernizing the existing mill trains, is contemplated.

7. Edelstahlwerk Doehlen, Freital. The expansion of the Doehlen plant will proceed according to the original plan.

8. Stahl- und Walzwerk Groeditz. The steel mill and the gray-iron foundry are not to be expanded. The most important project at the Groeditz plant is the large forge (Grossschmiede). In the forge only the 2,000-ton, 1,000-ton and 600-ton presses are operating, along with four hammers, two of which were transferred from the steel plant. The 3,500-ton and 700-ton presses are to be dispensed with. The space thus gained will be used for heavy processing machinery which in the old plan was for the mechanical processing shop. The mechanical processing shop itself will house machines for processing crank shafts. Probably only one-half of the crank shaft processing machines will be set up at Groeditz; the machines already installed at Hildau will remain there. These measures will make unnecessary the construction of a large new shop for processing crank shafts.

9. Kupfer- und Blechwalzwerk Ilsenburg. The reconstruction program at Ilsenburg will proceed as planned, since work on all the essential equipment is so far along that completion of the program will not represent any additional load on East Germany.

10. Walzwerk "Willi Becker", Kirchmoeser. The Kirchmoeser plan is not to be changed, since no new capacities were provided for except for the installation of electric power and the expansion of annealing equipment.

11. Walzwerk Finow. Expansion at Finow will proceed according to plan. The question of whether the present dead line for putting the cold band installation (Kaltbandanlage) into operation should be maintained will have to be examined, however.

12. Walzwerk Burg und Olbernhau. The planned expansion of the production of dynamo and transformer plate is to be carried out in accordance with decrees issued by the government.

13. Rohr- und Kaltwalzwerk Karl-Marx-Stadt.[1] The pipe welding plant will be completed when the first automatic unit (Automat) is put into operation. No further expansion will be undertaken.

14. Coal Rolling Mills and Drawing Plants. The situation at these plants is to be examined and revised on the basis of the material situation. No essential expansion will take place.

15. Leipziger Eisen-und Stahlwerke, Leipzig. The reconstruction plan will remain basically the same but will be stretched out over a longer period of time. The scope of the planned reconstruction still has to be determined. The question of whether Grauguesserei Lindenau can be closed down at the beginning of plan year 1954 will, however, have to be examined immediately.

16. Fire Proof Products Industry. Main emphasis is to be placed on the completion of the production installations in Aken for the manufacture of chromium-magnesite stone. The expansion of the Bad Lausick and Brandis plants is to be restricted to correspond to the development level established for the steel industry.

17. Shaped Steel Castings (Stahlformguss). The development of the shaped-steel casting capacity of the East German steel industry will have to be calculated on the basis of given requirement figures. Wherever possible no expansion of these capacities, (with the exception of the modernization of LEG), is to be undertaken.

18. Iron Ore Mines. The development of East German iron ore mines is to proceed according to established plans. The decrease in the use of ore is to be equalized by cutting down ore imports.

Rough Figures for the Development of Production in the Year 1954

19. The most important figures for 1954 production are production figures for pig iron and scrap metal. The established quota for pig iron amounts to 1,700,000 metric tons, broken down as follows:

EKS	1,020,000 metric tons
Eisenwerke West, Calbe	300,000 metric tons
Maxhuette, Unterwellenborn	380,000 metric tons

The breakdown according to various types of iron will not be made until the ore processing calculations (Moellerberechnung) and their relationship to the steel capacity have been determined. The scrap metal yield cannot exceed 2 million metric tons. From these two overall figures and from the iron imports guaranteed by long term trade agreements, it is possible to calculate production quantities for crude and rolled steel.

Immediate Effects of the Revision in the Year 1953

20. The demand that the investment calculations be revised necessitates a reduction of the plant figures for the year 1953. These reductions are highlighted by the following main figures (Hauptziffern):

a. Rolled steel - the 850 mill train at Brandenburg (the first and second construction stages) will not be put into operation according to schedule. The same holds true for the 700 mill train at Doehlen. New deadlines for beginning operations will therefore have to be established. Because of the plants' inability to meet the established deadlines, approximately 80,000 metric tons of rolled steel will not be produced as scheduled during the third and fourth quarter of 1953.

b. Crude steel - the postponement of several investment projects (Investitionsarbeiten) and of deadlines for expanding EKS will result in non-fulfillment of the crude steel plan. Every effort must be made to put into operation the part of the Thomas steel plant planned for 1953 so that construction work on the electric and Siemens-Martin steel plants can be postponed. Therefore, only two converters in the Thomas steel plant and one barrel mixer (Rollenmischer) can be put into operation in 1953. As a result, 1953 steel production will be reduced from 160,000 metric tons to 60,000 metric tons of Siemens-Martin steel and 40,000 metric tons of Thomas steel. Other East German steel mills are to attempt to fulfill planned 1953 production so that total shortages in crude steel will amount to only 100,000 metric tons.

c. Pig iron - delays in meeting construction schedules for Furnaces V and VI at EKS will result in the loss of three to four months' production per furnace. Since pig iron production is already 20,000 metric tons behind schedule, total 1953 pig iron production will probably be about 60,000 metric tons less than planned.

DEVELOPMENT OF THE EAST GERMAN NONFERROUS METALS INDUSTRY

21. The following are figures on the development of the nonferrous metals industry up to the end of 1955:

a. Mines

(1) Copper. Attempts will be made to keep copper production of 1955 up to the level established in the Five-Year Plan; increased (ueberhoehte) production figures based on the mining of copper sand ore (Kupfersanderz) will be cancelled, however. Therefore, the amount of copper ore to be processed remains at 1,800,000 metric tons. Copper mines are to be developed as planned, and measures to increase the capacity of the Mansfeld field are to be concentrated primarily on the Otto-Brosowski, Ernst Thaelmann, and Fortschritt mines. Emphasis is also to be placed on the development of the Thomas-Muenzer mine and the new mine at Niederroeblingen. These projects will not be changed.

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(2) Lead. It will be necessary to determine to what extent the Brander district can be exploited. If the lead balance reveals the necessity of planned investments for the Brander district, the amount of the investments cannot be changed.

(3) Tin. A total reassessment of the mining of tin ore in the Altenberg, Rodewisch and Ehrenfriedersdorf projects is to be undertaken. Special attention is to be paid to the question of whether planned production amounts can cover the requirements of industry and whether tin requirements can be met more economically through imports. If it turns out that it will be possible to meet requirements from imports, or that on the basis of requirements it will be more profitable to decrease East German tin production, investments for the three mines will be lowered.

b. Smelting Plants

(1) Mansfeld-Huetten.[2] The installation for preparing iron blocks for furnaces is to be dropped from the plan. Investment requirements for smelting and auxiliary installations are to be reassessed, and, if possible, investments are to be cut. The power plant investment plan is to be examined to ascertain whether it will be possible to lower planned figures for the Five-Year Plan and thereby to lower investments.

(2) Zinkhuette Freiberg. It is possible to extend the length of investments for this plant by one year so that the planned production level will be attained by the beginning of 1956. The exact effects on the zinc yield for 1955 have yet to be calculated; it is likewise possible to cut investments for 1954.

(3) Nickelhuette St. Egidien. It will be possible to postpone the completion of investments for this plant one year; thus, full scale production amounting to 1,500 metric tons of nickel would not be achieved until 1956. It will be necessary to determine whether a further postponement of one-half year should be considered. Investments for 1954 can thus be cut correspondingly.

(4) Other Projects of the Nonferrous Metals Industry. Other projects will have to be examined individually in order to determine which ones can be cancelled for the time being.

22. The revised figures for 1954 production will be calculated only after results from the changes in the development of plants (see para. 21) have been calculated. It will therefore be necessary to establish new balances for tin, zinc and nickel yields.

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1. [redacted] Comment: Chemnitz
2. [redacted] Comment: Located at Eisleben